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BROWN, RAYSMAN, MILLSTEIN, FELDER & STEINER LLP 900 THIRD AVENUE NEW YORK, NY 10022			BORLINGHAUS, JASON M	
			ART UNIT	PAPER NUMBER
			3628	

DATE MAILED: 06/13/2006

Please find below and/or attached an Office communication concerning this application or proceeding.



## **DETAILED ACTION**

### ***Continued Examination Under 37 CFR 1.114***

A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 3/20/06 has been entered.

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

To ensure clarity and clear understanding of examiner's rationale for application of cited prior art, terminology contained within parentheses indicates quoted language contained within said cited prior art reference while unquoted language contained within parentheses indicates the general concept as conveyed by said cited prior art reference. Such parenthetical terminology is to be interpreted as "reading on" or being "mapped to" the claim language prior to such parenthetical inclusions.

**Claims 1, 6 and 8 – 18** are rejected under 35 U.S.C. 103(a) as being unpatentable over Chan (Chan, N.T., Dahan, E., Lo, A.W. and Poggio, T. *Experimental Markets for Product Concepts*. Center for eBusiness @MIT. Paper 149, July 2001) in view of Davis (US Patent 6,269,361) and McAlpine (McAlpine, Rachel. *Web Word Wizardry*. Ten Speed Press. 2001. pp. 140 – 148).

**Regarding Claim 1**, Chan discloses a computerized system ("virtual stock market") for allowing transactions in an instrument ("virtual securities"), the instrument being associated with one or more concepts ("each associated with an underlying product or concept"), a method for determining a payoff ("maximize the value of the portfolio" allowing traders to "profit from trading and bear the risk of losing money", and have "prizes...awarded according to individuals' performance.") (see p. 1, line 18 – p. 2, line 8). the method comprising:

- determining a value of the one or more concepts at a first time. (As Chan discloses the determination of profit or loss based upon the instrument's value, the instrument's value at a first time must be determined to calculate the change. Furthermore, as the instrument's value is tied to the value of the

“underlying product or service” the value of the underlying concept must be determined at a first time. see p. 1, line 18 – p. 2, line 8.); and

- determining the payoff based on the instrument and based on the determined value of one or more concepts. (supra).

Chan does not teach underlined limitations – a computerized system for allowing transactions in an instrument, the instrument being associated with one or more term-based concepts, a method for determining a payoff on the instrument, the method comprising:

- determining a value of the one or more term-based concepts at a first time;
- determining a value of the instrument based at least in part on a quantity of computerized searches utilizing the one or more concepts to locate information; and
- determining the payoff based on the instrument and based on the determined value of one or more term-based concepts.

Utilization of term-based concepts, such as keywords, in computerized searches to locate information and the determination of a value for said term-based concept is old and well known in the art of information technology, as evidenced by Davis (see abstract and col. 12, lines 40 - 55). A metric utilized in determining the value of said term-based concept is based in part on “[f]or a particular search term, an estimated number of searches per day is determined.” (see col. 20, line 65 – col. 21, line 25).

Utilization of statistics concerning term-based concepts, such as keywords, utilized in search engines to allow users to determine the value and/or popularity of said

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term-based concept, such as via Overture.com, is old and well known in the art of information technology, as evidenced by McAlpine (see pp. 140 – 148).

It would have been obvious to one of ordinary skill at the time the invention was made to have modified Chan by incorporating a keyword, as disclosed by Davis, as the “underlying product or concept,” as disclosed by Chan, as such keyword has value and can be utilized in a computerized search, as disclosed by Davis, allowing for the trading of instruments based upon term-based concepts, another product with an already established value within the marketplace.

It would have been obvious to one of ordinary skill at the time the invention was made to have modified Chan and Davis by incorporating the valuation of the term-based concept based upon the quantity of computerized searches said concept was utilized in, as such a metric is already utilized in said concept valuation, as disclosed by Davis, and considered as a metric of desirability for those that utilize said concepts, as disclosed by McAlpine.

**Regarding Claim 6,** Chan discloses a method comprising:

- using a futures-based payoff technique in determining the payoff. (“real-money futures markets in which contract payoffs depend on the outcome of future political and economic events.” – see p. 4, lines 1 - 3).

**Regarding Claim 8,** Chan discloses a method comprising:

- denominating the payoff in at least one of real currency (“real money”).  
(see p. 1, lines 24 – 25);

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- fake currency, game currency, coupons, discounts, certificates, or rights.

("If fictitious money is used, prizes can be awarded according to individual's performance." – see p. 2, lines 1 - 2 – while Chan does not explicitly state "fake currency, game currency, coupons, discounts, certificates, and rights" it would have been obvious to that Chan could award any type of prize that he desired).

**Regarding Claim 9**, Chan discloses a method comprising:

- determining the payoff based upon instrument value. ("The objective of the market game is to maximize the value of the portfolio, evaluated at the market closing price. If participants play with real money, they will have the opportunity to profit from trading..." – see p. 1, lines 23 - 24).

Chan does not teach underlined limitation - a method comprising:

- determining the payoff in rights relating to advertising.

Davis discloses:

- the value of concept is based upon rights related to advertising ("higher likelihood of a referral to advertiser's web site"). (see col. 4, lines 2 – 6).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Chan, Davis and McAlpine by incorporating a payoff in rights to advertising, as was illustrated by Davis, since the value of the concepts underlying the traded instruments of the marketplace are already tied to rights to advertising.

**Regarding Claim 10**, Chan discloses a method comprising:

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- determining the payoff based upon instrument value. (“The objective of the market game is to maximize the value of the portfolio, evaluated at the market closing price. If participants play with real money, they will have the opportunity to profit from trading...” – see p. 1, lines 23 - 24).

Chan does not teach underlined limitation - a method comprising:

- determining the payoff at least one of rights to clicks or rights to impressions.

Davis discloses:

- the value of the concept is based upon the rights to clicks (“search result list” “click-through”) or rights to impressions (appearance on “search result list”). (see col. 3, line 62 – col. 4, line 2).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Chan, Davis and McAlpine by incorporating a payoff in rights to clicks and rights to impressions, as was illustrated by Davis, since the value of the concepts underlying the traded instruments of the marketplace are already tied to rights to clicks and rights to impressions.

**Regarding Claim 11**, Chan discloses a method comprising:

- using the instrument at least one of a speculating tool, a forecasting tool or a data generation tool. (“Different non-financial markets have been established for opinion polling, forecasts and predictions.” – see p. 3, line 21).

**Regarding Claim 12**, Chan discloses a method wherein:



- an entity ("virtual stock market") that at least in part facilitates allowing of transactions ("trading") capable of being valued (determining "profit" or loss) based on values of the one or more concepts ("underlying product or service" of an instrument which has value). (supra).

Chan does not teach a underlined limitations – a method wherein:

- an entity that at least in part facilitates allowing of transactions being capable of being valued based on values of the one or more term-based concepts also at least in part facilitates Pay-per-click auctions for rights associated with the one or more term-based concepts, and comprising the entity deriving revenue from at least one of transaction fees, listing fees, institutional participation fees, institutional participation fees, data sale or publicity.

Davis discloses a method wherein:

- an entity ("Internet search engine") also at least in part facilitates Pay-per-click auctions for rights associated with the one or more term-based concepts (keywords), and comprising the entity ("Internet search engine") deriving revenue from listing fees ("bid...for positions on a search result list"). (see col. 3, line 62 – 65).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Chan, Davis and McAlpine by incorporating an entity which facilitates Pay-per-click auctions for concepts and derives revenue from the same, as disclosed by Davis, to also facilitate transactions in instruments based upon

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the same concepts, as that entity ultimately provides the concept with its value based upon its use in its search result list and manages transactions in the product underlying the instrument.

**Regarding Claim 13**, further system claim would have been obvious from method claim, Claim 1, rejected above and is therefore rejected using the same art and rationale.

**Regarding Claims 14 – 15**, Chan discloses a method wherein:

- a portfolio comprises a plurality of instruments (based upon “underlying products or concepts”). (see p. 1, lines 21 – 22).

Chan does not teach underlined limitations - a method wherein:

- the one or more term-based concepts comprise a plurality of terms related to a theme; and
- the one or more term-based concepts comprise a plurality of unrelated term-based concepts.

Davis discloses a method wherein:

- the one or more term-based concepts (“search term”) comprise a plurality of terms (“keywords”) related to a theme (“relevant to content of advertiser’s website”). (see col. 12, lines 40 – 44).

McAlpine discloses a method wherein:

- the one or more term-based concepts (“meta keyword tag”) comprise a plurality of unrelated term-based concepts (“ontario...credit cards...cut flowers”). (see p. 145)

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Chan, Davis and McAlpine by incorporating the ability for the concepts to comprises a plurality of related, as disclosed by Davis, or unrelated, as disclosed by McAlphine, terms and/or concepts, as holders of instruments may desire a targeted portfolio of related instruments, like a sector fund, or a diversified portfolio of unrelated concepts, like an index fund, as disclosed by McAlpine.

**Regarding Claims 16 – 17**, further system claims would have been obvious from method claims rejected above, Claims 1 and 14 - 15, in combination, and are therefore rejected using the same art and rationale.

**Regarding Claim 18**, Chan discloses a method comprising:

- determining the value of the instrument based at least in part on the value of the one or more concepts (“underlying product or concept).  
(see p. 1, line 18 – p. 2, line 8.).

Chan does not teach underlined limitation – a method comprising:

- determining the value of the instrument based at least in part on an advertising value of one or more concepts.

Davis discloses a method comprising:

- determining the value of a concept at least in part on an advertising value of one or more concepts (as the advertiser is bidding upon concept on the basis of its advertising value. see col. 12, lines 40 – 44).

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It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Chan, Davis and McAlpine by incorporating a valuation of the instrument on the basis of the advertising value of the concepts, as the instrument has value on the basis of the underlying concept, as disclosed by Chan, and the concept has value on the basis of the advertising value of the concept, as disclosed by Davis, allowing the value of the instrument to be tied to the advertising value of the underlying concept.

### ***Response to Arguments***

Applicant's arguments with respect to pending claims have been considered but are moot in view of the new ground(s) of rejection.

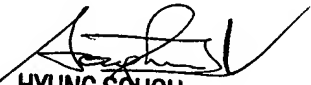
### ***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jason M. Borlinghaus whose telephone number is (703) 308-9552. The examiner can normally be reached on 8:30am-5:00pm M-F.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung Sough can be reached on (703) 308-0505. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

  
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